

26 | 395.602, Florida Statutes, is amended to read:

27 | 395.602 Rural hospitals.—

28 | (2) DEFINITIONS.—As used in this part, the term:

29 | (e) "Rural hospital" means an acute care hospital licensed
30 | under this chapter, having 100 or fewer licensed beds and an
31 | emergency room, which is:

32 | 1. The sole provider within a county with a population
33 | density of up to 100 persons per square mile;

34 | 2. An acute care hospital, in a county with a population
35 | density of up to 100 persons per square mile, which is at least
36 | 30 minutes of travel time, on normally traveled roads under
37 | normal traffic conditions, from any other acute care hospital
38 | within the same county;

39 | 3. A hospital supported by a tax district or subdistrict
40 | whose boundaries encompass a population of up to 100 persons per
41 | square mile;

42 | ~~4. A hospital classified as a sole community hospital~~
43 | ~~under 42 C.F.R. s. 412.92 which has up to 175 licensed beds;~~

44 | 4.5. A hospital with a service area that has a population
45 | of up to 100 persons per square mile. As used in this
46 | subparagraph, the term "service area" means the fewest number of
47 | zip codes that account for 75 percent of the hospital's
48 | discharges for the most recent 5-year period, based on
49 | information available from the hospital inpatient discharge
50 | database in the Florida Center for Health Information and

51 Transparency at the agency; or

52 ~~5.6.~~ A hospital designated as a critical access hospital,
 53 as defined in s. 408.07.

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55 Population densities used in this paragraph must be based upon
 56 the most recently completed United States census. A hospital
 57 that received funds under s. 409.9116 for a quarter beginning no
 58 later than July 1, 2002, is deemed to have been and shall
 59 continue to be a rural hospital from that date through June 30,
 60 2021, if the hospital continues to have up to 100 licensed beds
 61 and an emergency room. An acute care hospital that has not
 62 previously been designated as a rural hospital and that meets
 63 the criteria of this paragraph shall be granted such designation
 64 upon application, including supporting documentation, to the
 65 agency. A hospital that was licensed as a rural hospital during
 66 the 2010-2011 or 2011-2012 fiscal year shall continue to be a
 67 rural hospital from the date of designation through June 30,
 68 2021, if the hospital continues to have up to 100 licensed beds
 69 and an emergency room.

70 Section 2. Subsections (6) through (26) of section
 71 409.908, Florida Statutes, are renumbered as subsections (5)
 72 through (25), respectively, present subsections (5) and (24) are
 73 amended, and a new subsection (26) is added to that section, to
 74 read:

75 409.908 Reimbursement of Medicaid providers.—Subject to

76 | specific appropriations, the agency shall reimburse Medicaid
 77 | providers, in accordance with state and federal law, according
 78 | to methodologies set forth in the rules of the agency and in
 79 | policy manuals and handbooks incorporated by reference therein.
 80 | These methodologies may include fee schedules, reimbursement
 81 | methods based on cost reporting, negotiated fees, competitive
 82 | bidding pursuant to s. 287.057, and other mechanisms the agency
 83 | considers efficient and effective for purchasing services or
 84 | goods on behalf of recipients. If a provider is reimbursed based
 85 | on cost reporting and submits a cost report late and that cost
 86 | report would have been used to set a lower reimbursement rate
 87 | for a rate semester, then the provider's rate for that semester
 88 | shall be retroactively calculated using the new cost report, and
 89 | full payment at the recalculated rate shall be effected
 90 | retroactively. Medicare-granted extensions for filing cost
 91 | reports, if applicable, shall also apply to Medicaid cost
 92 | reports. Payment for Medicaid compensable services made on
 93 | behalf of Medicaid eligible persons is subject to the
 94 | availability of moneys and any limitations or directions
 95 | provided for in the General Appropriations Act or chapter 216.
 96 | Further, nothing in this section shall be construed to prevent
 97 | or limit the agency from adjusting fees, reimbursement rates,
 98 | lengths of stay, number of visits, or number of services, or
 99 | making any other adjustments necessary to comply with the
 100 | availability of moneys and any limitations or directions

101 provided for in the General Appropriations Act, provided the
 102 adjustment is consistent with legislative intent.

103 ~~(5) An ambulatory surgical center shall be reimbursed the~~
 104 ~~lesser of the amount billed by the provider or the Medicare-~~
 105 ~~established allowable amount for the facility.~~

106 (23) ~~(24)~~ (a) The agency shall establish rates at a level
 107 that ensures no increase in statewide expenditures resulting
 108 from a change in unit costs effective July 1, 2011.
 109 Reimbursement rates shall be as provided in the General
 110 Appropriations Act.

111 (b) Base rate reimbursement for inpatient services under a
 112 diagnosis-related group payment methodology shall be provided in
 113 the General Appropriations Act.

114 (c) Base rate reimbursement for outpatient services under
 115 an enhanced ambulatory payment group methodology shall be
 116 provided in the General Appropriations Act.

117 (d) ~~(e)~~ This subsection applies to the following provider
 118 types:

- 119 ~~1. Inpatient hospitals.~~
- 120 ~~2. Outpatient hospitals.~~
- 121 ~~1.3.~~ 3. Nursing homes.
- 122 ~~2.4.~~ 4. County health departments.
- 123 ~~5. Prepaid health plans.~~

124 (e) ~~(d)~~ The agency shall apply the effect of this
 125 subsection to the reimbursement rates for nursing home diversion

126 | programs.

127 | (26) The agency may receive funds from state entities,

128 | including, but not limited to, the Department of Health, local

129 | governments, and other local political subdivisions, for the

130 | purpose of making special exception payments, including federal

131 | matching funds. Funds received for this purpose shall be

132 | separately accounted for and may not be commingled with other

133 | state or local funds in any manner. The agency may certify all

134 | local governmental funds used as state match under Title XIX of

135 | the Social Security Act to the extent and in the manner

136 | authorized under the General Appropriations Act and pursuant to

137 | an agreement between the agency and the local governmental

138 | entity. In order for the agency to certify such local

139 | governmental funds, a local governmental entity must submit a

140 | final, executed letter of agreement to the agency, which must be

141 | received by October 1 of each fiscal year and provide the total

142 | amount of local governmental funds authorized by the entity for

143 | that fiscal year under the General Appropriations Act. The local

144 | governmental entity shall use a certification form prescribed by

145 | the agency. At a minimum, the certification form must identify

146 | the amount being certified and describe the relationship between

147 | the certifying local governmental entity and the local health

148 | care provider. Local governmental funds outlined in the letters

149 | of agreement must be received by the agency no later than

150 | October 31 of each fiscal year in which such funds are pledged,

151 unless an alternative plan is specifically approved by the
 152 agency.

153 Section 3. Paragraph (b) of subsection (2) of section
 154 409.909, Florida Statutes, is amended to read:

155 409.909 Statewide Medicaid Residency Program.—

156 (2) On or before September 15 of each year, the agency
 157 shall calculate an allocation fraction to be used for
 158 distributing funds to participating hospitals. On or before the
 159 final business day of each quarter of a state fiscal year, the
 160 agency shall distribute to each participating hospital one-
 161 fourth of that hospital's annual allocation calculated under
 162 subsection (4). The allocation fraction for each participating
 163 hospital is based on the hospital's number of full-time
 164 equivalent residents and the amount of its Medicaid payments. As
 165 used in this section, the term:

166 (b) "Medicaid payments" means the estimated total payments
 167 for reimbursing a hospital for direct inpatient services for the
 168 fiscal year in which the allocation fraction is calculated based
 169 on the hospital inpatient appropriation and the parameters for
 170 the inpatient diagnosis-related group base rate and the
 171 parameters for the outpatient enhanced ambulatory payment group
 172 rate, including applicable intergovernmental transfers,
 173 specified in the General Appropriations Act, as determined by
 174 the agency. Effective July 1, 2017, the term "Medicaid payments"
 175 means the estimated total payments for reimbursing a hospital

176 for direct inpatient and outpatient services for the fiscal year
 177 in which the allocation fraction is calculated based on the
 178 hospital inpatient appropriation and outpatient appropriation
 179 and the parameters for the inpatient diagnosis-related group
 180 base rate and the parameters for the outpatient enhanced
 181 ambulatory payment group rate, including applicable
 182 intergovernmental transfers, specified in the General
 183 Appropriations Act, as determined by the agency.

184 Section 4. Paragraph (a) of subsection (2) of section
 185 409.911, Florida Statutes, is amended to read:

186 409.911 Disproportionate share program.—Subject to
 187 specific allocations established within the General
 188 Appropriations Act and any limitations established pursuant to
 189 chapter 216, the agency shall distribute, pursuant to this
 190 section, moneys to hospitals providing a disproportionate share
 191 of Medicaid or charity care services by making quarterly
 192 Medicaid payments as required. Notwithstanding the provisions of
 193 s. 409.915, counties are exempt from contributing toward the
 194 cost of this special reimbursement for hospitals serving a
 195 disproportionate share of low-income patients.

196 (2) The Agency for Health Care Administration shall use
 197 the following actual audited data to determine the Medicaid days
 198 and charity care to be used in calculating the disproportionate
 199 share payment:

200 (a) The average of the 2009, 2010, and 2011 ~~2007, 2008,~~

201 ~~and 2009~~ audited disproportionate share data to determine each
 202 hospital's Medicaid days and charity care for the 2017-2018
 203 ~~2015-2016~~ state fiscal year.

204 Section 5. Subsection (3) of section 391.055, Florida
 205 Statutes, is amended to read:

206 391.055 Service delivery systems.—

207 (3) The Children's Medical Services network may contract
 208 with school districts participating in the certified school
 209 match program pursuant to ss. 409.908(21) ~~409.908(22)~~ and
 210 1011.70 for the provision of school-based services, as provided
 211 for in s. 409.9071, for Medicaid-eligible children who are
 212 enrolled in the Children's Medical Services network.

213 Section 6. Subsection (3) of section 427.0135, Florida
 214 Statutes, is amended to read:

215 427.0135 Purchasing agencies; duties and
 216 responsibilities.—Each purchasing agency, in carrying out the
 217 policies and procedures of the commission, shall:

218 (3) Not procure transportation disadvantaged services
 219 without initially negotiating with the commission, as provided
 220 in s. 287.057(3)(e)12., or unless otherwise authorized by
 221 statute. If the purchasing agency, after consultation with the
 222 commission, determines that it cannot reach mutually acceptable
 223 contract terms with the commission, the purchasing agency may
 224 contract for the same transportation services provided in a more
 225 cost-effective manner and of comparable or higher quality and

226 standards. The Medicaid agency shall implement this subsection
 227 in a manner consistent with s. 409.908(18) ~~409.908(19)~~ and as
 228 otherwise limited or directed by the General Appropriations Act.

229 Section 7. Subsections (1) and (5) of section 1011.70,
 230 Florida Statutes, are amended to read:

231 1011.70 Medicaid certified school funding maximization.—

232 (1) Each school district, subject to the provisions of ss.
 233 409.9071 and 409.908(21) ~~409.908(22)~~ and this section, is
 234 authorized to certify funds provided for a category of required
 235 Medicaid services termed "school-based services," which are
 236 reimbursable under the federal Medicaid program. Such services
 237 shall include, but not be limited to, physical, occupational,
 238 and speech therapy services, behavioral health services, mental
 239 health services, transportation services, Early Periodic
 240 Screening, Diagnosis, and Treatment (EPSDT) administrative
 241 outreach for the purpose of determining eligibility for
 242 exceptional student education, and any other such services, for
 243 the purpose of receiving federal Medicaid financial
 244 participation. Certified school funding shall not be available
 245 for the following services:

- 246 (a) Family planning.
- 247 (b) Immunizations.
- 248 (c) Prenatal care.

249 (5) Lab schools, as authorized under s. 1002.32, shall be
 250 authorized to participate in the Medicaid certified school match

251 | program on the same basis as school districts subject to the
 252 | provisions of subsections (1)-(4) and ss. 409.9071 and
 253 | 409.908(21) ~~409.908(22)~~.

254 | Section 8. For the 2017-2018 fiscal year, \$578,918,460 in
 255 | nonrecurring funds from the Grants and Donations Trust Fund and
 256 | \$929,467,313 in nonrecurring funds from the Medical Care Trust
 257 | Fund is appropriated to the Agency for Health Care
 258 | Administration for the purpose of implementing a Low Income Pool
 259 | Program. These funds shall be placed in a Qualified Expenditure
 260 | Category. Subject to the federal approval of the final terms
 261 | and conditions of the Low Income Pool, the Agency for Health
 262 | Care Administration shall submit a budget amendment requesting
 263 | release of the funds pursuant to the provisions of chapter 216,
 264 | Florida Statutes. The amendment shall include the Reimbursement
 265 | and Funding Methodology Document, as specified in the terms and
 266 | conditions, that documents permissible Low Income Pool
 267 | expenditures, a proposed distribution model by entity, and a
 268 | proposed listing of entities contributing Intergovernmental
 269 | Transfers to support the state match required. Low Income Pool
 270 | payments to providers under this section are contingent upon the
 271 | nonfederal share being provided through intergovernmental
 272 | transfers in the Grants and Donations Trust Fund. In the event
 273 | the funds are not available in the Grants and Donations Trust
 274 | Fund, the State of Florida is not obligated to make payments
 275 | under this section of law. This section expires July 1, 2018.

276 | Section 9. This act shall take effect July 1, 2017. |